

**Changes in the Substitute for HB 5002 (H-2):**

**Pages 2 and 3** - Elimination of the Qualifications Advisory Committee. This was requested by the current Administration in the hopes of removing a cumbersome and heavily regulated approach to selecting Worker's Comp Magistrates. The QAC created a complex process by which magistrates could be selected, limiting the number of qualified magistrates, and potentially politicizing the process. The replacement language on Page 3, Line 17, allows for the same standard in the selection of magistrates as required in all other areas of law.

**Page 4, Line 19** - You will see repeated eliminations of the QAC and replacement with the Department of Licensing and Regulatory Affairs for continuing oversight of magistrates.

**Page 7, Section 8, House Floor Amendment** - Require the Worker's Compensation Agency and Carriers to discontinue payments to individuals not in this country legally if such information is obtained by the Agency or Carrier.

**Page 7 and 8** - Significant portions of language was removed from these pages that related to what used to be Chapter 4 of this law in the MCL. This language was added after the Fire and Police Unions had concerns with striking it. The Chapter 4 language was reinserted in the substitute to help remove these concerns. Originally, the intent was to reduce Chapters 3 and 4 into one section, this didn't work out well.

**Page 10, Lines 25-26** - Striking of an additional sentence after "...grounded in fact or reality." This sentence increased the burden on individuals filing for mental stress compensation, particularly Fire and Police, to a standard higher than current case law. The language left on lines 25 and 26 represent the findings of the Robertson Supreme Court case. The language ensures only claims that relate to real world events can be considered for mental trauma for worker's comp.

**Page 11-12, Lines 24-3** - This is the most edited section of the bill, having been rewritten several times. The most recent language allows a magistrate to consider good-faith job search efforts of employees to count towards receiving benefits. The language also adds an affirmative duty to find work that a disabled employee is capable of performing. If an employee is incapable of finding work or still unable to work they can show good faith efforts, much like the unemployment system, to continue receiving benefits. The whole concept of theoretical wages was written out of the bill in the substitute.

**Page 12, Lines 10-25** - The language added in this section comes directly from the Sington/Stokes standards set into current case law. It is how an employee goes about showing disability and is nearly identical to the current standard used in courts. This language was added after further research into the history of worker's comp case law. It also includes language that reinforces the idea of good faith efforts to find work at the employees wage earning capacity pre-injury.

**Page 18, Line 14** - The original bill had a 90 day optional employer control of medical services. This was up from 10 days in the original statute. We have compromised with several groups and reduced that number to 45 days. Keep in mind that 12 states have exclusive employer medical control. Michigan would have standards on par with dozens of other states. The increase from 10 days prevents duplicative treatments for an injury and allows a competent doctor to run a course of treatment that involves specialty care and advanced medical technologies.

**Page 28, Lines 8-10** - The bill has been changed to allow a person to retire at, "normal retirement age." The assumption here is that particular age may vary by employment, some pensions and jobs require 10, 15, 20, or even 30 years to qualify for a pension. The issue with several labor organizations is the start of worker's comp could push an injured employee onto their pension after only 10 or 15 years on the job, even if the injury isn't permanent or would allow them to eventually return to work. The concern of employers is that under the current system an employee could "game" the system by claiming injury late in their career, be eligible for an 80% worker's comp payment, while avoiding their pension that is potentially at a lower rate of their pay.

**Page 48, Lines 13-17** - Would require the Worker's Comp Agency to file a report in 2012 to the Legislature that recommends changes to the system to prevent waste, fraud, and abuse.

**Page 48-53** - You will see repeated use of, "Electronic submissions" or "Electronic filings," this will help alleviate the incredible amount of paperwork that the worker's comp administration has to deal with. It will streamline the process and cut down on problems with employees receiving benefits in a timely manner.

**Page 51, Lines 14-17** - This allows two attorneys to agree in writing to determinations without having to go before a magistrate. This saves time and the cost of going to court for employees and employers.